



State Board of Equalization

# News Release

**Chairwoman Betty T. Yee**

**1<sup>st</sup> District – San Francisco**

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## **TAX BOARD ADOPTS REGULATIONS TO TAX FLAVORED MALT BEVERAGES AS DISTILLED SPIRITS**

Board of Equalization Chairwoman Betty T. Yee today announced the Board approved regulations necessary to implement the taxation of flavored malt beverages as distilled spirits.

Flavored malt beverages, often called “alcopops”, are defined by Federal regulations as malt beverages in which the majority of alcohol is the product of brewing.

“Through this action, the Board is exercising its legal authority to appropriately tax these beverages as distilled spirits,” Yee said.

The regulations adopted today on a 3-2 vote clarify the definition of distilled spirits, create a rebuttable presumption that non-wine alcoholic beverages, like flavored malt beverages, are distilled spirits, not beer, and create a procedure for rebutting the presumption.

Currently, beer and beer products are taxed at 20 cents per gallon and distilled spirits are taxed at \$3.30 per gallon.

The regulations, outlined [here](#), now go to the Office of Administrative Law for review. Implementation is slated for July 1, 2008.

Chairwoman Betty T. Yee was elected to her post in November 2006. Her district includes many of California’s coastal counties, from Del Norte to Santa Barbara, and includes the entire San Francisco Bay Area.

The five-member Board of Equalization is a publicly elected tax board. The Board collects nearly \$53 billion annually in taxes and fees supporting state and local government services. The Board hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and plays a significant role in the assessment and administration of property taxes.

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